

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.430 Deposit or Prepayment on Purchase Price
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**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.430 Deposit or Prepayment on Purchase Price

- a) If a buyer in a sale at retail makes a binding commitment to purchase, and the tangible personal property which is the subject of the binding commitment has been identified to the contract, any payment on the purchase price must, at the time of such payment, be included in the measure of the seller's tax liability. Tangible personal property is identified to a contract pursuant to the standards set forth in Section 2-501 of the Uniform Commercial Code Sales (Ill. Rev. Stat. 1989, ch. 26, par. 2-501). The giving of the binding purchase order by the purchaser, identification of the tangible personal property and the making of a payment on the price are sufficient to establish that a sale is intended for the purpose of determining that the seller has received taxable "gross receipts".

- b) After the seller has paid Retailers' Occupation Tax on the amount of such payment on the price, if the transaction is rescinded and the seller refunds such payment to the purchaser, the seller is in the same position as when he makes a refund on account of the return of merchandise after having paid Retailers' Occupation Tax on the amount so refunded and so may take a deduction on his return for the return period in which such a refund is made.

(Source: Amended at 15 Ill. Reg. 6621, effective April 17, 1991)